

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. Importation of dyestuffs by China reached a maximum in 1950 and since then has been severely restricted. The total dyestuff consumption in normal times for China and Manchuria is about \$25,000,000 each year; however, in 1953 China was probably buying less than one-fifth of that amount. China has large stocks of poor dyestuffs which were dumped after the war by the United States and sold at high prices. It is the policy of the Chinese Government to use these stocks of poor dyestuffs before purchasing more or producing more on a larger scale, although there is now a move to produce certain colors more extensively for the increased printed cotton cloth output. This move is presumably an attempt to offset the depressing psychological effect of the MAO Tse-tung uniform by allowing Chinese women to have some colorful clothing.

2. All purchases by the Chinese Communist purchasing commission, the China National Import Corporation, which is in close contact with East Berlin, are secret and it is therefore impossible to be sure of the present scale of purchases. Communist China imports dyestuffs

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The Chinese dye industries formerly bought the intermediates

At the present time these intermediates are obtained chiefly from the Soviet Union, Poland, and Czechoslovakia. Before 1950 five thousand tons of D.N.C.B. were obtained from Europe. Beta-naphthole was obtained

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One consignment of 30 tons of 1-aldol alpha-naphthylamine was not used for rubber manufacture, but to make beta-naphthol for textile production.

3. There are 40 members of the Chinese Communist Dyestuffs Manufacturers Guild, but only six or seven are important members. The output of the Chinese dyestuffs industry is limited to 28 or 30 different dyes at present

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25 YEAR RE-REVIEW

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- 2 -

in an attempt to rationalize the industry. It is more expensive in China to make chemicals than to import them. The manufacture of sulphur blue is now designated a "young industry" and therefore has special financial protection. This has made China self-sufficient for sulphur blue in a yearly quantity of about 7,200,000 kilograms. The estimated output of sulphur black is 3,600,000 kilograms each year. The manufacture of cotton direct black has reached 360,000 kilograms per year and blue B.B. is being produced at a rate of 200,000 kilograms per year. The Chinese are so far unable to make methylene blue except in the laboratory. They are at present trying to make malachite green on an industrial scale, without complete success. Carbazole is not yet manufactured on an industrial scale. The Chinese Communists have great difficulty in building new factories because of the lack of railway facilities for the transfer of modern building materials to remote sites. An explosion at the Lunghwa Dyestuffs Factory in Shanghai early in 1951 was not the result of sabotage but was caused by two workmen hammering crystallized deposits of picric acid. If China is exporting any dyestuffs to the Soviet Union it is probably wet colors only.

4. The main plants for the production of nitrates in China are at Chienli (N 29-49, E 112-56), where a second-hand plant made before 1937, is producing eight tons per day of ammonia by iron oxide catalysis from hydrogen and nitrogen. The ammonia is used by a further French process to make nitric acid. The plant was destroyed but has now been rebuilt. At Yungli, opposite Nanking, the Pukow plant is producing sodium nitrate and ammonium sulphate for fertilizers at the rate of 34 tons per day. No ammonium nitrate for explosives is being made at Yungli.
5. The German Jews who came to Shanghai between 1930 and 1935 and set up pharmaceutical manufacture there, have left; Mr. Potok looks after the few who remain. The pharmaceutical industry in Shanghai consists of the mixing and tableting of pharmaceuticals imported from elsewhere. Sulpha drugs and other pharmaceuticals are in very large demand in China. About two or three years ago there were practically no antibiotics in China. When their lack was suddenly realized, large orders were placed, particularly after the bacteriological warfare scare which a great many highly placed Chinese officials firmly believed to be genuine. The Chinese are very fond of medical injections and it may be that these large purchases by China are not because of stockpiling for war but because of the sudden realization of their value as drugs. Samples of other Chinese-made chemicals are very difficult to obtain. It requires elaborate documentation and sometimes months of delay in order to be allowed to export a few grams as samples.
6. The Tachanghwa Rubber Plant, Shanghai, is producing tires, including heavy-duty tires, with apparently complete satisfaction to the users. China is now self-supporting in the output of tires, although it has to import crude rubber.
7. There is no uranium mining in China, although an excellent and very extensive geological survey is now in progress throughout the country. The Soviet Union takes the whole production of tungsten and antimony from China.

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